

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 249

Minutes of Meeting of Board of Directors
April 21, 2016

The Board of Directors (the "Board") of Harris County Municipal Utility District No. 249 (the "District") met at the Board's regular meeting place on April 21, 2016, in accordance with the duly posted Notice of Public Meeting, and the roll was called of the duly constituted officers and members of the Board, as follows:

Willie Hodge, President
Daniel Stage, Vice President
Ralph V. Palermo, Secretary
Charles Albright, Assistant Secretary
Norman C. Adamek, Assistant Secretary

and all of said persons were present, thus constituting a quorum.

Also present were John Davis of Langford Engineering Inc. ("Langford"); Eric Thiry of Environmental Development Partners, LLC ("EDP"); Darrell Hawthorne of Municipal Accounts & Consulting, L.P. ("MAC"); Stephanie Hendershot of Bob Leared Interests ("BLI"); Christie Leighton of Best Trash, Inc. ("BT"); District residents Dorene Wells and Cindy Adamek; and Christopher Skinner of Schwartz, Page & Harding, L.L.P. ("SPH").

The President called the meeting to order and declared it open for such business as might regularly come before the Board.

MINUTES

The Board first reviewed the draft minutes of its meeting held on March 17, 2016. After discussion of the minutes presented, Director Adamek moved that the March 17, 2016, minutes be approved, as written. Director Albright seconded said motion, which carried unanimously.

COMMENTS FROM THE PUBLIC

Ms. Leighton introduced herself to the Board and inquired whether the Board had any concerns to be addressed regarding solid waste collection and recycling services provided by BT. The Board noted that it was satisfied with BT's services at this time.

Ms. Wells next introduced herself to the Board. Ms. Wells informed the Board that her residence backs up to the District's greenbelt located on Lexington Boulevard and that there are two trees that are growing next to and into her fence and damaging the fence. Mr. Thiry advised the Board that he had inspected the area and presented to and reviewed photographs of same with the Board. Director Adamek noted that he had surveyed the area and stated that there may be as many as four trees that need to be removed. After discussion on the matter, Director Stage moved that EDP be authorized to examine the area and to remove or trim back all of the trees

that are now or will in the near future cause damage to t residents' fences. Director Albright seconded the motion, which carried unanimously.

REORGANIZATION OF THE BOARD OF DIRECTORS AND ELECTION OF OFFICERS

The next item to be considered was the election of officers. The Board first considered the election of a President. After discussion, Director Adamek moved that Director Palermo be elected President of the Board, to be effective April 22, 2016. Director Hodge seconded the motion, which carried unanimously.

The Board next considered the election of a Vice President. After discussion, Director Adamek moved that Director Albright be elected Vice President of the Board, to be effective April 22, 2016. Director Hodge seconded the motion, which carried unanimously.

The Board next considered the election of a Secretary. After discussion, Director Adamek moved that Director Stage be elected Secretary of the Board, effective April 22, 2016. Director Hodge seconded the motion, which carried unanimously.

The Board next considered the election of an Assistant Secretary. After discussion, Director Adamek moved that Director Hodge and Director Adamek each be elected Assistant Secretaries of the Board, effective April 22, 2016. Director Hodge seconded the motion, which carried unanimously.

DISTRICT REGISTRATION FORM

The Board next considered approving a District Registration Form required by the Texas Commission on Environmental Quality (the "TCEQ"). Mr. Skinner explained that, in accordance with §36.054(e) and §49.054(f) of the Texas Water Code, municipal utility districts are required to file names, mailing addresses, officer positions and terms of new directors with the TCEQ within thirty days (30) after an election or appointment. He advised that with the Board's approval, SPH will complete the District Registration Form to include the new officer positions and the new terms of office for Directors Stage, Hodge and Albright's new terms of office after the May 7, 2016 Directors Election, and file same with the TCEQ. After further discussion of the matter, Director Hodge moved that the Board authorize SPH to complete the District Registration Form as discussed and file same with the TCEQ. Director Adamek seconded said motion, which unanimously carried.

DISTRICT SECURITY ISSUES

The Board next considered the report regarding District security issues. Mr. Skinner distributed the Harris County Sheriff's Office call sheet summary for March 2016, a copy of which summary is attached hereto as **Exhibit A**. Director Adamek informed the Board that he would contact the deputy to encourage more active patrol around the lakes area and more visibility in the District to discourage speeding in the neighborhood.

CONTINUING DISCLOSURE REPORT

Mr. Skinner advised the Board that the continuing disclosure report due June 30, 2016, will not be completed until after the District's audit for the fiscal year ended December 31, 2015, is completed.

TAX ASSESSOR-COLLECTOR'S REPORT

Ms. Hendershot next presented to and reviewed with the Board the Tax Assessor-Collector's report for the month of March 2016, which report is attached hereto as **Exhibit B**. After discussion on the report presented, Director Adamek moved that the Tax Assessor-Collector's Report be approved and that the disbursements identified in said report be approved for payment from the District's tax account. Director Hodge seconded said motion, which unanimously carried.

Ms. Hendershot next presented to and reviewed with the Board correspondence received from James Mitchell of 25706 White Springs Ct., requesting an eight month installment payment plan for his 2015 taxes totaling \$2,376.07. She noted that Mr. Mitchell included a check in the amount of \$400.07 for an initial installment payment and would like to pay the remaining balance of \$1,976.00 in eight equal monthly installments of \$247.00 to be paid in full by December 31, 2016. After discussion on the matter, Director Hodge moved that the Board grant Mr. Mitchell's request for said eight month installment payment plan. Director Adamek seconded the motion, which carried unanimously.

DELINQUENT TAX COLLECTION ATTORNEYS' REPORT

Mr. Skinner presented to and reviewed with the Board the Delinquent Tax Collection Attorneys' Report, dated April 21, 2016, prepared by Perdue, Brandon, Fielder, Collins & Mott, L.L.P., the District's delinquent tax collection attorneys; a copy of such report is attached hereto as **Exhibit C**. Mr. Skinner noted that no Board action was required with respect to any of the accounts listed in the report.

RESOLUTION AUTHORIZING AN ADDITIONAL PENALTY ON DELINQUENT REAL PROPERTY TAXES

The Board next considered the adoption of a Resolution Authorizing an Additional Penalty on Delinquent Real Property Taxes, attached hereto as **Exhibit D**. Mr. Skinner advised that the District is authorized, pursuant to Section 33.07 of the Texas Tax Code, as amended, to impose, under certain conditions on July 1, an additional penalty not to exceed twenty percent (20%) of the total taxes, penalty and interest due the District on real property taxes that remain delinquent as of July 1 of the year in which they become delinquent. After discussion, it was moved by Director Adamek, seconded by Director Albright and unanimously carried, that the attached Resolution Authorizing an Additional Penalty on Delinquent Real Property Taxes be adopted by the Board, and that the President be authorized to execute and the Secretary to attest same on behalf of the Board and the District.

BOOKKEEPER'S REPORT

Mr. Hawthorne next presented to and reviewed with the Board the Bookkeeper's Report dated April 21, 2016, including (i) the disbursements presented for payment from the District's General Operating Fund, Capital Projects Fund and the Sewage Treatment Plant ("STP") Account, (ii) a Fund Balance Report, (iii) a Pledged Securities Report, (iv) an Actual versus Budget Comparison for March 2016 for the Operating Fund and the STP Account, (v) a Debt Service Payments Schedule, and (vi) a Sales Tax Revenue History Report, copies of which are attached hereto as **Exhibit E**. After discussion, it was moved by Director Hodge that the Bookkeeper's Report be approved and that the various disbursements identified therein be authorized for payment. Director Albright seconded the motion, which carried unanimously.

DETENTION AND DRAINAGE FACILITIES REPORT

Mr. Davis reminded the Board that, at the last public Board meeting, it authorized Stormwater Solutions, L.P. ("SWS") to repair several erosion areas along the District's drainage channels and noted that said repairs have not yet been commenced due to the heavy recent rains. Mr. Davis then informed the Board that SWS surveyed the District this morning and noted that all facilities were in satisfactory condition.

ENGINEERING REPORT

Mr. Davis presented to and reviewed with the Board the Engineering Report, dated April 22, 2016, a copy of which report is attached hereto as **Exhibit F**, relative to the status of various projects within the District.

Relative to the construction of the Waterline and Sanitary Sewer along Spring-Cypress Road, Mr. Davis presented to and reviewed with the Board Pay Estimate No. 2 in the amount of \$168,880.80 from C.E. Barker, Ltd. ("CEB"), and recommended that the Board approve the payment of same. Following discussion on the matter, it was moved by Director Adamek, seconded by Director Palermo and unanimously carried, that the Board approve the payment of said Pay Estimate, as recommended by the District's engineer.

EMERGENCY BACK-UP GENERATOR

The Board next considered proposals from (i) Stewart & Stevenson LLC ("Stewart"), (ii) Worldwide Power Products ("WPP"), and (iii) NTS Water & Wastewater Rental Specialists ("NTS"), copies of which proposals are attached hereto as **Exhibit G**, for a stand-by lease option for a generator for the District's wastewater treatment plant. Mr. Thiry noted that he recommended that the Board accept the proposal from NTS. Mr. Davis discussed the proposals and concurred with Mr. Thiry's recommendation. After discussion on the matter, Director Adamek moved that the Board accept NTS' proposal for a stand-by lease of an 180 kilowatt emergency generator for use at the District's wastewater treatment plant facility and approve said lease agreement, subject to SP&H's review and approval of same and receipt of a Texas Ethics Commission Form 1295 from NTS. Director Hodge seconded the motion, which carried unanimously.

Mr. Davis discussed with the Board the possibility of purchasing a permanent 180 kilowatt generator for the wastewater treatment plant and noted that the approximate cost for same and the required associated equipment would be \$100,000. After discussion, the Board requested that Langford present a formal cost estimate for a permanent generator for its consideration at the next meeting.

PROVISION OF WATER AND SANITARY SEWER SERVICE TO NORTHLAND SHOPPING CENTER

Mr. Skinner updated the Board on the status of provision of water and sanitary sewer to the Northland Shopping Center and applicable pad sites.

AMENDED AND RESTATED ANNEXATION AND UTILITY SERVICE AGREEMENT

Mr. Skinner informed the Board that, as discussed at the last meeting, SPH revised the Amended and Restated Annexation and Utility Service Agreement by and between the District and Northland Joint Venture and provided a copy of same to Mr. Jack Fields, legal counsel for Northland Joint Venture, for review and comment. No action was taken by the Board on the matter at this time.

BAYER PARK WASTEWATER CONVEYANCE AND TREATMENT PROJECT

With respect to the Bayer Park wastewater conveyance and treatment project, the Board deferred approval of an Interlocal Agreement between the District and Harris County for the project pending conveyance of the lift station site from Bringing Hope, Inc. d/b/a Home of Hope-Texas to the District. Mr. Davis informed the Board that the metes and bounds description for said site are currently being prepared, subject to approval by Harris County.

STATUS OF COMMUNICATION WITH QUADVEST, L.P. ("QUADVEST") RELATIVE TO EMERGENCY WATER SUPPLY AGREEMENT

Mr. Skinner reminded the Board that he had previously reported that Quadvest authorized its attorney to prepare a proposed Emergency Water Supply Agreement for the District's review and approval and that a draft of said agreement had been received from Quadvest's attorney. Mr. Skinner then informed the Board that, as previously discussed, he advised Quadvest's attorney of the various provisions that the Board will require to be included in the Agreement to protect the District since Quadvest is not a governmental entity. Mr. Skinner then reminded the Board that he previously received e-mail correspondence from Quadvest's attorney advising that the Agreement is being revised at this time to address the various provisions discussed. Mr. Skinner stated that SPH would conduct Quadvest's attorney to follow up on the status of the Agreement.

OPERATIONS AND MAINTENANCE REPORT

The Board next considered the Operations and Maintenance Report. Mr. Thiry presented to and reviewed in detail with the Board a written Operations Report prepared by EDP, dated as of April 21, 2016; a copy of the Report is attached hereto as **Exhibit H**.

AUTHORIZATION OF CONSUMER CONFIDENCE REPORT

The Board considered authorizing EDP to prepare the District's Consumer Confidence Report in the format promulgated by the TCEQ. Mr. Skinner advised the Board that, pursuant to Consumer Confidence Report requirements promulgated by the United States Environmental Protection Agency and the TCEQ, the District is required to provide a report containing various information regarding the District's water supply to all customers of the District by July 1, 2016. After discussion on the matter, Director Adamek moved that EDP be authorized to prepare said Consumer Confidence Report for the Board's and SPH's review. Director Albright seconded the motion, which carried unanimously.

WATER LOSS AUDIT

The Board considered the approval of the 2015 Water Loss Audit. In connection therewith, Mr. Thiry informed the Board that EDP has completed the Audit and presented and reviewed same with the Board. Mr. Thiry noted that same would be filed with the Texas Water Development Board by the May 1, 2016 deadline. After discussion, Director Hodge moved that the Board approve said Water Loss Audit. Director Albright seconded the motion, which carried unanimously.

LANDSCAPING AT WASTEWATER TREATMENT PLANT

The Board deferred discussion of landscaping at the wastewater treatment plant at this time.

ALTERNATIVES FOR LANDSCAPING OPTIONS FOR LEXINGTON ROAD MEDIAN

The Board deferred discussion of landscaping alternatives for the Lexington Road median at this time.

LANDSCAPING ALONG SPRING-CYPRESS ROAD FROM I-45

The Board deferred discussion of landscaping along Spring-Cypress Road from I-45 until completion of the water line and sanitary sewer line along Spring-Cypress Road.

REMEDICATION PLAN FOR UNAUTHORIZED CLEARING

The Board deferred discussion regarding the unauthorized clearing of District property located on the greenbelt along Lexington Road by District resident Tony Bunch at this time.

WEBSITE PROVIDER

The Board next discussed website compliance relative to legal requirements. After discussion, on the matter, no further action was taken at this time.

CLOSED SESSION PURSUANT TO TEXAS GOVERNMENT CODE SECTION 551.071 AND/OR SECTION 551.072

The Board deferred convening in Closed Session at as authorized pursuant to Texas Government Code Section 551.071 and/or Section 551.072 at this time.

ORDER ESTABLISHING POLICY OF DISTRICT'S ALLOCATION OF POTABLE WATER AND SANITARY SEWER CAPACITIES


The Board deferred the approval and execution of an Order Establishing Policy of District's Allocation of Potable Water and Sanitary Sewer Capacities at this time.

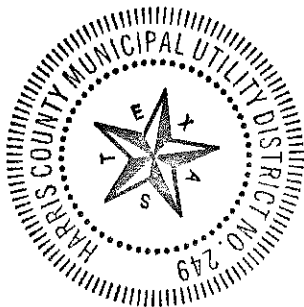
ATTORNEY'S REPORT

Mr. Skinner informed the Board that the District was in receipt of e-mail correspondence from Harris County Precinct 4 requesting a contribution of funds from the District for a traffic signal upgrade at the intersection of East Cypresswood Drive and Lexington Boulevard. After discussion, the Board deferred taking any action on the matter at this time.

ADJOURN

There being no further business to come before the Board, upon motion duly made by Director Adamek, seconded by Director Albright and carried unanimously, the meeting was adjourned.


Secretary



LIST OF ATTACHMENTS TO MINUTES

Exhibit A – Security Report

Exhibit B – Tax Assessor-Collector's Report

Exhibit C – Delinquent Tax Report

Exhibit D – Resolution Authorizing an Additional Penalty on Delinquent Real Property
Taxes

Exhibit E – Bookkeeper's Report

Exhibit F – Engineer's Report

Exhibit G – Proposals for 180 kilowatt emergency generator

Exhibit H – Operations and Maintenance Report